H. R. 260.

FEBRUARY 20, 1821.

Read, and ordered to lie on the table.

A BILL

Further to amend the several Acts relative to the Treasury, War, and Navy Departments.

Be it enacted by the Senate and House of Representatives 1 of the United States of America in Congress assembled, That 2 3 the second section of the act, entitled "An act making alterations in the Treasury and War Departments," passed the 4 eighth day of May, seventeen hundred and ninety-two; the se-5 cond section of the act, entitled "An act to alter and amend 6 the several acts for the establishment and regulation of the 7 Treasury, War, and Navy Departments," passed the sixteenth 8 day of July, seventeen hundred and ninety-eight; and the se-9 venth section of the act, entitled "An act to provide for the 10 prompt settlement of public accounts," passed the third day 11 of March, eighteen hundred and seventeen, be, and hereby are, 12 repealed, from and after the thirty-first day of March, eigh-13

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teen hundred and twenty-one.

- SEC. 2. And be it further enacted, That, on the day and year last aforesaid, all moneys which may remain in the hands of the Treasurer of the United States, as agent of the War and Navy Departments, shall, under the direction of the Secretaries of those Departments, respectively, be repaid into the Treasury, and carried to the credit of the proper Department, upon the books of the Treasury.
- SEC. 3. And be it further enacted, That all moneys appropriated for the use of the War and Navy Departments shall, from and after the day and year last aforesaid, be drawn from the Treasury by warrants of the Secretary of the Treasury, upon the requisitions of the Secretaries of those Departments, respectively, countersigned by the Second Comptroller of the Treasury, and registered by the proper Auditor.
- act of the third day of March, eighteen hundred and seventeen.

 as is repugnant to the foregoing provisions, and be, and is hereby, repealed, from and after the thirty-first day of March
 eighteen hundred and twenty-one.

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SEC. 4. And be it further enacted, That so much of the said

Provided, That farmers, graziers, drovers, dvers, bleach-41 ers, shoemakers, carpenters, ship-carpenters, butchers, tai-42 lors, bakers, schoolmasters, tanners, innkeepers, or any arti-43 ficers, whose living is substantially gotten by mechanical la-44 bor, though with some mixture of buying and selling, shall 45 not, as such only, be deemed or taken to be within the pro-46 visions of this act: And, provided, That no person shall be 47 liable to a commission of bankruptcy, if the petition be not 48 preferred, in manner hereinafter directed, within six months 49 after the act of bankruptcy committed. **50**

Sec. 2. And be it further enacted, That there shall be 1 appointed, by the President of the United States, from time 2 to time, as many general commissioners of bankruptcy in each 3 judicial district, as he may deem necessary, and that the judge 4 of the district court of the United States, for the district where 5 the debtor resides, or usually resided, at the time of committing 6 the act of bankruptcy, or any one of the judges of the supreme 7 court of the United States, who shall be allotted to the circuit 8 court for such district, upon petition, in writing, against such 9 person or persons being bankrupt, to him to be exhibited by 10 any one creditor, or by a greater number, being partners, 11 whose single debt shall amount to one thousand dollars, or by 12 two creditors, whose debt shall amount to fifteen hundred dol-13 lars, or by more than two creditors, whose debts shall amount 14 to two thousand dollars, shall, by commission, under his hand 15

and seal, appoint, not exceeding three of the said commis-16 sioners, resident in such district, to be commissioners in the 17 case of the particular bankrupt petitioned against. 18 any of the said commissioners, so appointed, shall die, or 19 neglect or refuse to act, or shall become unfit to act, or in-20 capable of acting, either of such judges shall appoint other com-21 missioners, from time to time, as occasion may require: Pro-22 vided always, That, before any commission shall issue, the 23 creditor or creditors petitioning shall make affidavit, or so-24 lemn affirmation, before the judge hereby authorised to issue 25 the commission, of the truth of his, her, or their, debts, and 26 give bond, to be taken by the said judge, in the name and for 27 the benefit of the said party so charged as a bankrupt, and in 28 such penalty, and with such surety, as he shall require, to be 29 conditioned for the proving of his, her, or their, debts, as well 30 before the commissioners, as, upon a trial at law, in case the 31 due issuing forth of the said commission shall be contested; **32** and, also, for proving the party a bankrupt, and to proceed on 83 such commission in the manner herein prescribed. 34 such debt shall not be really due, or, after such commission 35 taken out, it cannot be proved that the party was a bankrupt, 36 then the said judge shall, upon the petition of the party ag-37 grieved, in case there be occasion, deliver such bond to the said 38 party, who may sue thereon and recover such damages, under 39 the penalty of the same, as, upon trial at law. he shall make 40

appear he has sustained, by reason of any breach of the con-41 dition thereof. And no commission of bankruptcy shall be 42 avoided by reason of any act of bankruptcy having been com-43 mitted by the person against whom such commission shall 44 have issued, prior to the contracting of the debt of the credi-45 tor upon whose petition such commission shall have issued, if 46 such petitioning creditor had not any notice of such act of 47 bankruptcy at the time when the debt due to him was con-48 tracted. 49

Sec. 3. And be it further enacted, That the said com-1 missioners shall have power to appoint a clerk, and the said 2 commissioners, together with the clerk, shall be allowed as a 3 full compensation for their services when sitting and acting 4 under their commissions at the rate of five dollars per day, 5 for every day which they may be employed in the same busi-6 ness, to be apportioned among the several causes on which 7 8 9

they may act on the same day; to be paid out of the respective bankrupts' estates. SEC. 4. And be it further enacted, That, before the com-1 missioners shall be capable of acting, they shall, respectively. 2 take and subscribe the following oath or affirmation, which 8 ahall be administered by the judge issuing the commission, or 4 by any of the judges of the supreme court of the United 5 States, or any judge, justice, or chancellor, of any state court. 6 and filed in the office of the clerk of the district court: "I, A B. 7

do swear, or affirm, that I will faithfully, impartially, and honest-8 ly, according to the best of my skill and knowledge, execute 9 the several powers and trusts reposed in me as a commission-10 er in a commission of bankruptcy, against — , and that 11 without favor or affection, prejudice or malice." And the 12 commissioners who shall be sworn as aforesaid, shall proceed, 13 14 as soon as may be, to execute the same; and, upon due examination, and sufficient cause appearing against the party charged. 15 16 shall and may declare him or her to be a bankrupt: Provided, 17 That, before such examination be had, reasonable notice thereof, in writing, shall be delivered to the person charged as 18 19 a bankrupt: or if he or she be not found at his or her usual place of abode, to some person of the family above the age of 20 twelve years; or if no such person appear, shall be fixed at the 21 front or other public door of the house, in which he or she usu-22 ally resides, or resided; and thereupon it shall be in the power 23 of such person, so charged as aforesaid, to demand, in writing, 24 before or at the time appointed for such examination, that a 25 jury may be empannelled, to inquire into the fact or facts al-26 leged as causes for issuing the commission, or other act or 27 acts of bankruptcy, committed within six months before the is-28 suing of said commission, and, on such demand being made, the 29 30 same shall be certified by the commissioners to the judge granting the commission; and thereupon the inquiry shall be 31 had before the judge granting the commission, or his successor, 32

and it shall be lawful for such judge, for this purpose, to order 33 a jury to be summoned, or empannelled in such manner as he 84 shall, in his discretion, deem meet, and at such time and place 35 as he shall direct, and to compel the attendance of the jurors 36 and witnesses by attachment, or other proper process, at such 37 time and place as he may direct, and, in that case, such person 38 shall not be declared bankrupt, unless, by the verdict of the ju-39 ry, he or she shall be found so to be, within the description 40 of this act, and shall be convicted of some one of the acts de-41 scribed in the first section of this act: Provided, That any 42 commission which shall be taken out as aforesaid, and which 43 shall not be proceeded in as aforesaid, within thirty days 44 thereafter, may be superseded by either of the judges autho-45 rized to issue the commission, upon application of the party 46 thereby charged as a bankrupt, or of any creditor of such per-47 son, unless the delay shall have been unavoidable, or for just 48 cause: And provided, That where any such other act or acts 49 of bankruptcy shall be alleged, it shall be the duty of the said 50 judge, on the application of the bankrupt, or any other person, 51 to adjourn the inquiry for such reasonable time as may be ne-52 cessary, to enable the bankrupt, or such other person to con-53 test such act or acts of bankruptcy. 54

test such act or acts of bankruptcy.

Sec. 5. And be it further enacted, That the commissioners so appointed as aforesaid, shall have power, forthwith, after they have declared such person a bankrupt, to cause to
be apprehended, by warrant under their hands and seals. (to

be directed to such person or persons as they shall think fit,) 5 the body of such bankrupt, wheresoever to be found within 6 the United States, and to bring such bankrupt before the said 7 commissioners to be examined: Provided, They shall adjudge 8 that there is reason to apprehend that the said bankrupt in-9 tends to abscond or conceal him or herself; and in case it be 10 necessary, in order to take the body of the said bankrupt, shall 11 have power, on probable cause, supported by oath or affirma-12 tion, to issue their warrant to cause the doors of the dwelling 13 house of such bankrupt to be broken, or the doors of any 14 other house in which he or she shall be fraudulently conceal-15 ed by the owner or occupant of the same, after a delay or re-16 fusal by the occupant of said house, to surrender such bank-17 rupt, upon demand made by the person appointed to serve such 18 19 warrant.

And be it further enacted, That it shall be the 1 duty of the commissioners, so appointed as aforesaid, forth-2 with, after they have declared such person a bankrupt, and 3 they shall have power to take into their possession all the es-4 5 tate, real and personal, of every nature and description, to which the said bankrupt may be entitled, either in law or 6 equity, in any manner whatsoever, and cause the same to be 7 inventoried and appraised to the best value, (his or her ne-8 cessary wearing apparel, and the necessary wearing appa-9 rel of his wife and children, and necessary beds and bedding 10

of such bankrupt and his family only excepted,) and, also, to
take into their possession, and secure, all deeds and books of
account, papers and writings, belonging to such bankrupt;
and shall cause the same to be safely kept, until assignees
shall be chosen or appointed, in manner hereafter provided.

Sec. 7. And be it further enacted, That the said commis-1 sioners shall, forthwith, after they have declared such person 2 a bankrupt, cause due and sufficient public notice thereof to 8 be given, and in such notice shall appoint some convenient 4 time and place for the creditors to meet, in order to choose an 5 assignee or assignees of the said bankrupt's estate and ef-6 fects; at which meeting the said commissioners shall admit 7 the creditors of such bankrupt to prove their debts. 8 where any creditor shall reside at a distance from the place 9 of such meeting, or, from sickness or other disability, duly 10 proved on affidavit, shall be unable to attend, shall allow the 11 debt of such creditor to be proved by oath or affirmation, 12 made before some competent authority, and duly certified, and 13 shall permit any person duly authorized by letter of attorney 14 from such creditor, due proof of the execution of such letter 15 of attorney being first made, to vote in the choice of an as-16 signee or assignees of such bankrupt's estate and effects, in 17 the place and stead of such creditor: and the said commis-18 sioners shall assign, transfer, or deliver over, all and singular 19 the said bankrupt's estate and effects aforesaid, with all muni-20

ments and evidences thereof, to such person, or persons, as
the major part, in value, of such creditors, according to the
several debts then proved, shall choose, as aforesaid: *Provided*, *always*, That, in such choice, no vote shall be given by, or
in behalf of, any creditor whose debt shall not amount to two
hundred dollars.

Sec. 8. Provided, always, and be it further enacted, That 4 it shall be lawful for the said commissioners, as often as they 2 3 shall see cause, for the better preserving and securing the band upt's estate, before assignees shall be chosen, as afore-4 said, immediately to appoint one or more assignee or assignees 5 of the estate and effects aforesaid, or any part thereof; which 6 assignee or assignees, aforesaid, or any of them, may be re-7 moved at a meeting of the creditors, so to be appointed, as 8 aforesaid, for the choice of assignees, if such creditors, enti-9 tled to vote, as aforesaid, or the major part, in value, of them, 10 shall think fit; and such assignee or assignees, as shall be so 11 removed, shall deliver up all the estate and effects of such 12 bankrupt, which shall have come to his or their hands, or pos-13 session, unto such other assignee or assignees as shall be cho-14 sen by the creditors, as aforesaid; and all such estate and ef-15 fects shall be, to all intents and purposes, as effectually and 16 legally vested in such new assignee or assignees, as if the first 17 assignment had been made to him or them by the said com-18 missioners; and, if such first assignee or assignees shall re-. 19

fuse or neglect, for the space of ten days, next after notice, in 20 writing, from such new assignee or assignees, of their appoint-21 ment, as aforesaid, to deliver over, as aforesaid, all the estate 22 and effects, as aforesaid, every such assignee or assignees shall, 23 respectively, forfeit for the use of the creditors, a sum not 24 exceeding fifty per centum on the money or value of the pro-25 perty so retained, and shall, moreover, be liable for the pro-26 perty so detained. 27 Sec. 9. And be it further enacted, That, atany time previous 1 to the closing of the accounts of the said assignee or assignees, 2 so chosen, as aforesaid, it shall be lawful for such creditors of 3 the bankrupt, as are hereby authorized, to vote in the choice of 4 assignees, or the major part of them, in value, at a regular 5 6 meeting of the said creditors, to be called for that purpose by the said commissioners, or by one-fourth, in value, of such cre-7 ditors, to remove all or any of the assignees chosen as aforesaid, 8 and to choose one or more in his or their place and stead; and 9 such assignee or assignees, as shall be so removed, shall deliver 10 up all the estate and effects of such bankrupt, which shall have 11 12 come into his or their hands, or possession, unto such new assignee, or assignees, as shall be chosen by the creditors at such 13 meeting; and all such estate and effects shall be, to all in-14 tents and purposes, as effectually and legally vested in such 15 new assignee, or assignees, as if the first assignment had been 16 made to him, or them, by the said commissioners; and, if such 17

former assignee, or assignees, shall refuse, or neglect, for the 18 space of ten days, next after notice, in writing, from such new 19 assignee, or assignees, of their appointment, as aforesaid, to 20 deliver over, as aforesaid, all the estate and effects aforesaid, 21 every such former assignee, or assignees, shall, respectively, 22 forfeit a sum not exceeding five thousand dollars, for the use 23 of the creditors, and shall, moreover, be liable for the proper-24 ty so detained. And, in case any assignee, or assignees, shall 25 die before the closing of the accounts of bankruptcy, the - 26 whole remaining interest, property, trusts, and rights, under 27 the assignment, shall vest in the surviving assignee, or as-28 signees, if any there be. And, upon the death of any assignee, 29 the creditors, as aforesaid, may choose one or more assignee 30 in his place and stead, in like manner, as aforesaid; and the 31 new assignee, or assignees, so chosen, shall have the like pow-32 ers, authorities, rights, and interests, vested in them, as in the 38 case of removal, aforesaid. And the executors, administra-34 tors, or legal representatives, of such deceased assignce, shall, 35 forthwith, deliver over, after notice, in writing, of such new 36 appointment, and demand made, by such new assignee, or as-37 signees, all the estate and effects of the bankrupt, in their 38 hands or possession; and, on failure to deliver over, as afore-39 said, on notice and demand, shall be liable for the property so 40 detained. 41

Sec. 40. And be it further enacted, That, whenever a new 1 assignee, or assignees, shall be chosen, as aforesaid, no suit at 2 law, or in equity, shall be thereby abated: but it shall and may 3 be lawful for the court in which any suit may depend, upon 4 the suggestion of the death, or removal, of a former assignee, 5 or assignees, and of the appointment of a new assignee, or as-6 signees, to allow the name of such new assignee, or assignees, 7 to be substituted in place of the name, or names, of the former 8 assignee, or assignees, and, thereupon, the suit shall be prose-9 cuted in the name, or names, of the new assignee, or assig-10 nees, in the same manner as if he, or they, had, originally, 11 commenced the suit in his or their own names. And no suit 12 pending in law, or equity, wherein the bankrupt is a party, 13 shall be abated by reason of his bankruptcy, but, such suit 14 may be prosecuted, pursued, and defended, in his name, for 15 the benefit of the assignees; or their own names may, at their 16 discretion, be substituted for his name, and, in like manner, 17 the suit be prosecuted, pursued, and defended, until final 18 judgment, decree, and execution. 19 Sec. 11. And be it further enacted, That the assignment, or 4 assignments, of the commissioners of the bankrupt's estate and 2 effects as aforesaid, made as aforesaid, shall be good at law, and . 8 in equity, against the bankrupt; and all persons claiming by, 4 from, or under such bankrupt, by an act done at the time of 5 his committing, or after he shall have committed the act of

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- bankruptcy, upon which the commission issued: Provided al-7 ways, That all conveyances by, all payments by and to, and 8 all contracts and other dealings and transactions, by and with 9 any bankrupt, bona fide made and entered into before the date 10 of such commission, shall, notwithstanding any act of bank-11 ruptcy committed by such bankrupt, prior to that on which the **12** commission issued, be valid: Provided, The person so dealing 13 with such bankrupt had not, at the time of such conveyance, 14 payment, dealing, or transaction, any knowledge, informa-15 tion, or notice, of any act of bankruptcy having been commit-16 ted by such bankrupt, within six months before that time: And 17 provided always, That, in case of a bona fide purchase made be-18 fore the issuing of the commission from or under such bank-19 rupt, for a valuable consideration, by any person having no 20 knowledge, information, or notice of any act of bankruptcy 21 committed within six months before such purchase, such 22 purchase shall not be invalidated or impeached. 23
 - Sec. 12. And be it further enacted, That the said commis-1 sioners shall have power, by deed or deeds, under their hands 2 and seals, to assign and convey to the assignee or assignees. 3 to be appointed or chosen as aforesaid, any lands, tenements, or 4 hereditaments, which such bankrupt shall be seized of, or enti-5 tled to, in fee tail, at law, or in equity, in possession, remainder. 6 or reversion, for the benefit of the creditors; and all such deeds,

being duly executed and recorded according to the laws of the

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- 9 state, within which such lands, tenements, or hereditaments,
 10 may be situate, shall be good and effectual against all persons
 11 whom the said bankrupt, by common recovery, or other
 12 means, might, or could, bar of any estate, right, title, or possi13 bility of or in the said lands, tenements, or hereditaments.
- SEC. 13. And be it further enacted, That if any bankrupt 1 shall have conveyed or assured any lands, goods, or estate, 2 unto any person, upon condition or power of redemption, by 3 payment of money or otherwise, the commissioners shall 4 have power to assign, for the use aforesaid, all the right, title, 5 and interest, of said bankrupt, in and to such lands, goods, or 6 estate, and in and to such condition or power of redemption, 7 and such assignment shall vest the same right, title, interest, 8 powers, and all authorities, in, to, and over, the same lands, 9 goods, and estate, as the bankrupt had, or could have, to all 10 intents and purposes whatsoever; and, upon tender of the mo-11 ney, or other performance, according to the nature of such 12 condition, the assignee or assignees shall have the same rights, 13 powers, interest, and authorities, and remedies, as the bank-14 rupt himself might or could have, "for the possession, reco-15 very, sale, or disposal of the same." 16
 - SEC. 14. And be it further enacted, That the commissioners
 aforesaid shall have power to assign, for the use aforesaid, all
 - 3 the debts due to such bankrupt, or to any other person, for
 - 4 his or her use or benefit; which assignment shall vest the pro-

perty and right thereof in the assignee or assignees of such 5 bankrupt, as fully as if the bond, judgment, contract, or claim. 6 had originally belonged or been made to the said assignees, 7 and, after the said assignment, neither the said bankrupt, nor 8 any person acting as trustee for him or her, shall have power 9 to recover or discharge the same, nor shall the same be at-10 tached as the debt of the said bankrupt; but the assignee, or 11 assignees, aforesaid, shall have such remedy to recover the 12 same in his or their own name or names, as such bankrupt 13 might or could have had, if no commission of bankruptcy had 14 issued. And when any action, in the name of such bankrupt, 15 shall have been commenced, and shall be pending, for the reco-16 very of any estate, real or personal, of such bankrupt, which 17 shall be assigned, or shall or might become vested in the as-18 signee or assignees of such bankrupt, as aforesaid, then such 19 assignee or assignees may claim to be, and shall be thereupon 20 admitted to prosecute such action in his or their name, for the 21 use and benefit of the creditors of such bankrupt; and the same 22 judgment shall be rendered in such action, and all attachments 23 or other security taken therein shall be, in like manner, holden 24 and liable as if the said action had been originally commenc-25 ed in the name of such assignee, or assignees, after the origi-26 nal plaintiff therein had become a bankrupt as aforesaid. 27

SEC. 15. And be it further enacted, That, if complaints shall be made, or information given to the commissioners, or if

they shall have good reason to believe, or suspect, that any of the property, goods, chattels, or debts, of the bankrupt, are in the 4 possession of any other person, or that any person is indebted 5 to, or for the use of the bankrupt, then the said commission-6 ers shall have power to summon, or cause to be summoned, by 7 their attorney, or other person duly authorized by them, all 8 such persons before them, or the judge of the district where 9 such persons shall reside, or usually resided, or before any 10 judge of the supreme court of the United States, allotted to the 11 circuit court of such district, by such process or other means, 12 as they shall think convenient, and, upon their appearance, to 18 14 examine them by parole or by interrogatories, in writing, on oath, or affirmation; which oath or affirmation they are here-15 by empowered to administer, respecting the knowledge of all 16 such property, goods, chattels, and debts. And if such person shall refuse to be sworn or affirmed, and to make answer to such questions or interrogatories as shall be administered. 20 and to subscribe the said answers, touching the subject matter of such examination, then it shall be lawful for the commission-22 ers or judge to commit such person to prison, there to be de-28 tained until they shall submit themselves to be examined in manner aforesaid; and they shall, moreover, forfeit double the 24 25 value of all the property, goods, chattels, and debts, by them concealed, for the use of the creditors. 26

SEC. 16. And beit further enacted, That, if any of the afore-1 said persons shall, after legal summons to appear before the 2 commissioners or judge, to be examined, refuse to attend, or 3 shall not attend at the time appointed, having no such impedi-4 ment as shall be allowed by the commissioners, or judge. it 5 shall be lawful for the said commissioners, or judge, to issue 6 their warrant to such person, or persons, as by them shall be. 7 thought proper, to apprehend such persons as shall refuse to 8 appear, and to bring them before the commissioners, or judge, 9 to be examined, and, upon their refusing to come, to commit them to prison, until they shall submit themselves to be exa-11 mined, according to the directions of this act: Provided, That 12 such witnesses as shall be sent for, shall be allowed such 13 compensation as the commissioners, or judge, shall think fit, 14 to be rateably borne by the creditors. And if any person, other 15 than the bankrupt, either by subornation of others, or by his 16 or her own act, shall wilfully or corruptly commit perjury 17 on such examination to be taken before the commissioners, or 18 judge, as aforesaid, the party so offending, and all persons who 19 shall procure any person to commit such perjury, shall, on con-20 viction thereof, be fined, not exceeding four thousand dollars, 21 and imprisoned, not exceeding two years; and moreover shall, 22 in either case, be rendered incapable of being a witness in any 23 court of record. 24

Sec. 17. And be it further enacted, That, if any person. 1 or persons, shall fraudulently, or collusively, claim any debts. 2 or claim, or detain, any real or personal estate of the bankrupt. 3 every such person shall forfeit double the value thereof, to, and 4 5 for the use of, the creditors. Sec. 18. And be it further enacted, That if any person, 1 prior to his or her becoming a bankrupt, shall convey to any 2 of his or her children, or other persons, any lands or goods, 3 or transfer his or her debts, or demands, into other per-4 sons' names, with intent to defraud his or her creditors, the 5 commissioners shall have power to assign the same, in as ef-6 fectual a manner, as if the bankrupt had been actually seized 7 or possessed thereof. 8 SEC. 19. And be it further enacted, That if any person, 1 or persons, who shall become bankrupt, within the intent and 2 meaning of this act, and against whom a commission of bank-3 ruptcy shall be duly issued, upon which commission such per-4 son, or persons, shall be declared bankrupt, shall not, within 5 forty-two days after notice thereof, in writing, to be left at the 6 usual place of abode of such person, or persons, or personal 7 notice, in case such person, or persons, be then in prison, and 8. notice given, in some gazette, that such commission hath 9 been issued, and of the time and place of meeting of the com-10 missioners, surrender him or herself to the said commission-11 ers, and sign and subscribe such surrender, and submit to be

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examined, from time to time, upon oath or solemn affirmation, 13 by and before such commissioners, and, in all things, conform 14 to the provisions of this act, and also upon such his or her ex-15 amination, fully, and truly, disclose and discover all his or her 16 effects and estate, real and personal, and how, and in what man-17 ner, to whom, and upon what consideration, and at what time, 18 or times, he or she hath disposed of, assigned, or transferred, 19 any of his or her goods, wares, or merchandise, moneys, or 20 other effects and estate, and of all books, papers, and writings, relating thereunto, of which he or she was possessed, or in or to which he or she was anywise interested or entitled, or which any person, or persons, shall then have, or shall have had, 24 in trust for him or her, or for his or her use, at any time before 25 or after the issuing of the said commission, or whereby such 26 bankrupt, or his or her family, then hath, or may have, or ex-27 pect, any profit, possibility of profit, benefit, or advantage 28 whatsoever, except only such part of his or her estate and ef-29 fects as shall have been really and bona fide before sold and 30 disposed of, in the way of his or her trade and dealings, and 81 except such sums of money as shall have been laid out in the 32 ordinary expences of his or her family; and, also, upon such 38 examination, execute, in due form of law, such conveyance, 34 assurance, and assignment, of his or her estate, whatsoever, 25 and wheresoever, as shall be devised and directed by the com-86 missioners, to vest the same in the assignees, their heirs, ex-87

ecutors, administrators, and assigns, forever, in trust. for the 38 use of all and every the creditors of such bankrupt, who shall 89 come in and prove their debts, under the commission, and deliver up unto the commissioners all such part of his or her 41 the said bankrupt's goods, wares, merchandise, money, effects, 42 and estate, and all books, papers, and writings, relating there-48 unto, as, at the time of such examination, shall be in his or 44 her possession, custody, or power, his or her necessary wear-45 ing apparel, and the necessary wearing apparel of the wife 46 and children, and necessary beds and bedding of such bank-47 rupt and his family, only excepted, then he or she, the said 48 bankrupt, upon the conviction of any wilful default or omis-49 sion in any of the matters or things aforesaid, shall be ad-50 judged a fraudulent bankrupt, and shall suffer imprisonment, 51 for a term not less than twelve months, nor exceeding ten **52** 58 vyears, and shall not, at any time after, be entitled to the benefits of this act: Provided always, That, in case any bankrupt shall be in prison or custody, at the time of issuing such 55 commission, and is willing to surrender and submit to be ex-56 amined, according to the directions of this act, and can be 57 brought before the said commissioners and creditors for that 58 purpose, the expense thereof shall be paid out of the said bank-59 rupt's effects; and in case such bankrupt is in execution, or 60 cannot be brought before the commissioners, that then the said 61 commissioners, or some one of them, shall, from time to time, 62

attend the said bankrupt in prison or custody, and take his or 63 her discovery, as in other cases, and the assignees, or one of 64 them, or some person appointed by them, shall attend such 65 bankrupt in prison or custody, and produce his or her books, 66 papers, and writings, in order to enable him or her to prepare 67 his or her discovery; a copy whereof the said assignees shall 68 apply for, and the said bankrupt shall deliver to them or their 69 order, within a reasonable time after the same shall have been 70 required. 71

Sec. 20. And be it further enacted, That the said commission-1 ers shall appoint, within the said forty-two days, so limited as 2 aforesaid, for the bankrupt to surrender and conform as afore-3 said, not less than three several meetings for the purposes 4 aforesaid, the third of which meetings shall be on the last of 5 the said forty-two days: Provided always, That either of the 6 judges having authority to issue the commission, shall have 7 power to enlarge the time so limited as aforesaid, for the pur-8 poses aforesaid, as he shall think fit, not exceeding fifty days, 9 10 to be computed from the end of the said forty-two days, so as such order for enlarging the time, be made at least six days 11 before the expiration of said term. 12

before the expiration of said term.

Sec. 21. And be it further enacted, That it shall be lawful
for the commissioners, (on probable cause, shewn by oath or
affirmation,) to issue their warrant, under their hands and
seals, directed to any person or officer, authorizing him

- 5 to break open, in the day time, the houses, chambers, shops,
- 6 warehouses, doors, trunks, or chests, of the bankrupt, where
- 7 any of his or her goods, or estate, deeds, book of account, or
- 8 writings, shall be, and to take possession of the goods, money
- 9 and other estate, deeds, books of account, or writings, of such
- 10 bankrupt.
 - 1 Sec. 22. And be it further enacted, That, if the bankrupt
 - 2 shall refuse to be examined, or to answer fully, or to subscribe
- 3 his or her examination as aforesaid, it shall be lawful for the
- 4 commissioners to commit the offender to close imprisonment,
- 5 until he or she shall conform him or herself, and if the said
- 6 bankrupt shall submit to be examined, and, upon his or her ex-
- 7 amination, it shall appear that he or she hath committed wil-
- 8 ful or corrupt perjury, he or she may be indicted therefor,
- 9 and, being thereof convicted, shall suffer imprisonment for a
- term not less than two years, nor exceeding ten years.
 - 1 Sec. 28. And be it further enacted, That every bankrupt
 - 2 having surrendered, shall, at all seasonable times before the
 - 8 expiration of the said forty-two days, as aforesaid, or of such
- 4 further time as shall be allowed to finish his or her examina-
- 5 tion, be at liberty to inspect his or her books, and writings, in
- 6 the presence of some person to be appointed by the commis-
- 7 sioners, and to bring with him or her, for his or her assist-
- 8 ance, such persons as he or she shall think fit, not exceeding
- 9 two at one time, and to make extracts and copies to enable

10 him or her to make a full discovery of his or her effects; and the said bankrupt shall be free from arrests in coming to sur-12 render, and after having surrendered, to the said commis-13 sioners, for the said forty-two days, or such further time as 14 shall be allowed for the finishing his or her examination; and, in case such bankrupt shall be arrested for debt, or taken on 16 any escape, warrant, or execution, coming to surrender, or af-17: ter his surrender, within the time beforementioned, then, on 18) producing such summons or notice, under the hand of the 19 commissioners, and giving the officer a copy thereof, he or 20 she shall be discharged; and in case any officer shall after-\$4 wards detain such bankrupt; such officer shall forfeit to such 22" bankrupt, for his or her own use, ten dollars for every day he shall detain the bankrupt. 28

SEC. 24. And be it further enacted, That every person who shall knowingly or wilfully receive, or keep concealed, any bankrupt so as aforesaid summoned to appear, or who shall assist such bankrupt in concealing him or herself, or in absconding, shall suffer such imprisonment, not exceeding twelve months, or pay such fine to the United States, not exceeding one thousand dollars, as, upon conviction thereof, shall be adjudged.

SEC. 25. And be it further enacted, That, in case any per-

2 son shall be committed by the commissioners for refusing to

8 answer, or for not fully answering any question, or for any

- 4 other cause, the commissioners shall, in their warrant, spe-
- 5 cify such question or other cause of commitment.
- SEC. 26. And be it further enacted, That if, after the bank-
- 2 rupt shall have finished his or her final examination, any other
- 3 person or persons shall voluntarily make discovery of any
- 4 part of such bankrupt's estate, before unknown to the commis-
- 5 sioners, such person or persons shall be entitled to five per
- 6 cent. out of the effects so discovered, and such further reward
- 7 as the commissioners shall think proper; and any trustee
- 8 having notice of the bankruptcy, wilfully concealing the es-
- 9 tate of any bankrupt, for the space of ten days after the bank-
- 10 rupt shall have finished his final examination, as aforesaid,
- shall forfeit double the value of the estate so concealed, for
- 12 the benefit of the creditors.
- 1 Sec. 27. And be it further enacted, That if any person shall
- 2 become bankrupt, and at such time, by the collusive consent of the
- 3 owner, have in his or her possession and disposition any goods,
- 4 whereof he or she shall be reputed owner, and take upon him
- 5 or herself the sale, alteration, or disposition thereof, as owner,
- 6 the commissioners shall have power to assign the same for the
- 7 benefit of the creditors, as fully as any other part of the es-
- 8 tate of the bankrupt.
- 1 SEC. 28. And be it further enacted, That if any bankrupt,
- 2 after the issuing any commission against him or her, pay to
- 3 the person who sued out the same, or give or deliver to such

person, goods, or any other satisfaction or security for his or 4 her debt, whereby such person shall privately have and re-5 ceive a greater proportion of his or her debt than the other 6 creditors, such preference shall be a new act of bankruptcy, 7 and, on good proof thereof, such commission shall and may 8 be superseded, and it shall and may be lawful for either of 9 the judges having authority to grant the commission as afore-10 said to award any creditor petitioning, another commission, 11 and such person so taking such undue satisfaction as afore-12 said shall forfeit and lose, as well his or her whole debts, as 13 the whole he or she shall have taken and received, and 14 shall pay back, or deliver up the same, or the full value there-15 of, to the assignee or assignees, who shall be appointed or 16 chosen under such commission, in manner aforesaid, in trust 17 for, and to be divided among, the other creditors of the said 18 19 bankrupt, in proportion to their respective debts.

Sec. 29. And be it further enacted, That every person whe 1 shall be chosen assignee of the estate and effects of a bank-2 rupt, shall, at some time after the expiration of four months, 8 and within twelve months from the time of issuing the com-4 5 mission, cause at least thirty days' public notice to be given of the time and place the commissioners and assignees intend 6 to meet, to make a dividend or distribution of the bankrupt's 7 8 estate and effects; at which time the creditors, who have not before proved their debts, shall be at liberty to prove the 9

same; and, upon every such meeting, the assignee or assignees 10 shall produce to the commissioners and creditors then present. 11 fair and just accounts of all his or their receipts and payments 12 touching the bankrupt's estate and effects, and of what shall 18 remain outstanding, and the particulars thereof, and shall, if 14 the creditors then present, or a major part of them, require 15 the same, be examined upon oath, or solemn affirmation, be-16 fore the same commissioners, touching the truth of such ac-17 18 counts; and, in such accounts, the said assignee or assignees 19 shall be allowed and retain all such sum and sums of money 20 as they shall have paid or expended in sueing out and prosecuting the commission, and all other just allowances on ac-21 count of, or by reason or means of, their being assignee or as-22 signees; and the said commissioners shall order such part of $\mathbf{23}$ the nett produce of the said bankrupt's estate, as by such ac-24 counts, or otherwise, shall appear to be in the hands of the 25 said assignees, as they shall think fit, to be forthwith divided 26 among such of the bankrupt's creditors, as have duly proved 27 their debts under such commission, in proportion to their se-28 veral and respective debts; and the commissioners shall make 29 such their order for a dividend, in writing, under their hands. 80 and shall cause one part of such order to be filed amongst the 31 proceedings under the said commission, and shall deliver un-82 to each of the assignees, under such commission, a duplicate 83 of such order, which order of distribution shall contain an ac-**3**4

count of the time and place of making such order, and the 35 sum total or quantum of all the debts proved under the com-36 mission, and the sum total of the money remaining in the 37 hands of the assignee or assignees to be divided, what per 88 centage in particular there is ordered to be paid to every cre-89 ditor, of his debt; and the said assignee or assignees, in pur-40 suance of such order, and without any deed or deeds of dis-41 tribution, to be made for the purpose, shall forthwith make 42 48 such dividend and distribution accordingly, and shall take re-44 ceipts, in a book to be kept for the purpose, from each creditor, for the part or share of such dividend or distribution, which 45 he or they shall make, and pay to each creditor respectively; 46 and such order and receipt shall be a full and effectual dis-47 charge to such assignee for so much as he shall fairly pay, 48 pursuant to such order as aforesaid. 49

SEC. 30. And be it further enacted, That, within eighteen months next after the issuing of the commission, the assignee or assignees shall make a second dividend of the bankrupt's estate and effects, in case the same were not wholly divided upon the first dividend, and shall cause due public notice to be given of the time and place the said commissioners intend to meet to make a second distribution of the bankrupt's estate and effects, and for the creditors who shall not before have prov-8 ed their debts, to come in and prove the same; and at such meeting the said assignees shall produce, on oath, or solemn 10

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affirmation, as aforesaid, their accounts of the bankrupt's estate 11 and effects, and what, upon the balance thereof, shall appear 12 to be in their hands, shall, by like order of the commissioners, 13 be forthwith divided amongst such of the bankrupt's creditors 14 as shall have made due proof of their debts, in proportion to 15 their several and respective debts; which second dividend 16 shall be final, unless any suit at law, or equity, be depending, 17 or any part of the estate standing out, that could not have been 18 disposed of, or that a major part of the creditors shall not 19 have agreed to be sold or disposed of, or unless some other or 20 future estate or effects of the bankrupt shall afterwards come 21 to, or vest in, the said assignees, in which case the said as-22 signees shall, as soon as may be, convert such future or other 23 estate and effects into money, and shall, within two months af-24 ter the same be converted into money, by like order of the 25 commissioners, divide the same among such bankrupt's credi-26 tors as shall have made due proof of their debt under such 27 commission. 28

SEC. 31. And be it further enacted, That, in the distribution of the bankrupt's effects, there shall be paid to every of the creditors a portion-rate, according to the amount of their respective debts: Provided, That nothing herein contained shall operate to defeat, or impair, any lien which any creditor may have upon the estate of such bankrupt by virtue of any recognizance, bona fide entered into by, or any judgment or

- execution bona fide obtained against such bankrupt, prior tothe time when he became a bankrupt.
- 1 Sec. 32. And be it further enacted, That the assignees shall
- 2 keep one or more distinct book or books of account, wherein he
- 3 or they shall duly enter all sums of money or effects, which he
- 4 or they shall have received or got into his or their possession,
- 5 of the said bankrupt's estate, to which books of account every
- 6 creditor who shall have proved his or her debt shall at all rea-
- 7 sonable times have free resort, and inspect the same as often
- 8 as he or she shall think fit.
- SEC. 33. And be it further enacted, That every bankrupt,
- 2 not being in prison or custody, shall, at all times after his surren-
- 3 der, be bound to attend the assignees, upon every reasonable
- 4 notice, in writing, for that purpose given or left at the usual
- 5 place of his or her abode, in order to assist in making out the
- 6 accounts of the said bankrupt's estate and effects, and to attend
- 7 any court of record, to be examined touching the same, or
- 8 such other business as the said assignees shall judge neces-
- 9 sary, for which he shall receive three dollars per day.
- 1 Sec. 34. And be it further enacted, That all and every per-
- 2 son and persons who shall become bankrupt as aforesaid, and
- 3 who shall, within the time limited by this act, surrender him
- 4 or herself to the commissioners, and, in all things, conform, as
- 5 in and by this act is directed, shall be allowed five per cent. upon
- 6 the nett produce of all the estate that shall be recovered and

received, which shall be paid unto him or her by the assignee 7 or assignees, in case the nett produce of such estate, after such 8 allowance made, shall be sufficient to pay the creditors of said 9 bankrupt, who shall have proved their debts under such com-10 mission, the amount of fifty per cent. of their said debts re-11 spectively, and so as the said five per cent. shall not exceed, in 12 the whole, the sum of five hundred dollars. And in case the 13 nett produce of the said estate shall, over and above the allow-14 ance hereafter mentioned, be sufficient to pay the said creditors 15 seventy-five per cent. on the amount of their said debts respec-16 tively, that then the said bankrupt shall be allowed ten per cent. 17 on the amount of such nett produce, to be paid as aforesaid, so 18 as such ten per cent. shall not, in the whole, exceed the sum of 19 eight hundred dollars: Provided always, That if the nett pro-20 ceeds of the bankrupt's estate, so to be discovered, recovered, 21 and received, shall not amount to so much as will pay all and 22 every of the creditors of the said bankrupt who shall have 23 proved their debts under the said commission, the amount of 24 fifty per cent. on their debts, respectively, after all charges 25 first deducted, that then, and in such case, the bankrupt shall 26 not be allowed five per centum on such estate as shall be re-27 covered, but shall have, and be paid by the assignees, so much 28 money as the commissioners shall think fit to allow, not more 29 than three hundred dollars, nor exceeding three per centum 30 on the nett proceeds of such bankrupt's estate: Provided al-18

ways, and be it further enacted, That, in case any commission of 32 bankruptcy shall issue against any person or persons, who shall 83 have been previously discharged by virtue of this act, then, and 34 in such case, the body or bodies only of such person or per-85 sons shall be free from arrest and imprisonment by virtue of 36 this act; but the future estate and effects of every such person 37 or persons shall remain liable to his, her, or their creditors, as 38 before the making of this act, (the tools of trade, the necessary 39 household goods and furniture, and necessary wearing apparel 40 of such bankrupt, and his wife and children, only excepted,) 41 unless the estate of such person or persons, against whom such 42 commission shall be awarded, shall produce, after all charges, 43 sufficient to pay every creditor under the said commission, seven-44 ty-five per centum on his or her debt. And in case any commis-45 sion shall be awarded against any person, or persons, who 46 shall have been previously discharged under two successive 47 commissions, in pursuance of this act, then, and in that case, 48 such person, or persons, shall not, under said third commis-49 sion, be entitled to any certificate, or discharge, whatever; but 50 the future effects and estate of such person, or persons, shall 51 remain liable to his, her, or their creditors, (saving such tools, **52** furniture, and apparel, as aforesaid,) until such creditors shall 53 be paid the whole of their several and respective debts. 54 provided also, and be it further enacted, That in case any com-55 mission of bankruptcy shall issue against any person not being 56

a merchant, or trader, using the trade of merchandise, by buy-57 ing and selling in gross, or by retail, or dealing in exchange, or 58 as a banker, broker, factor, underwriter, or marine insurer, ac-59 cording to the true intent and meaning of this act, shall have 60 become a merchant or trader, or commenced using the trade 61 of merchandise, or become banker, broker, factor, under-62 writer, or marine insurer, with intent to become a bankrupt. 63 and to be discharged, under the provisions of this act, from 64 his or her debts, not contracted by him or her as such mer-65 chant, trader, banker, broker, factor, underwriter, or marine 66 insurer, such person shall be entitled to no certificate, or dis-67 charge, under this act; nor shall such certificate, if granted, 68 protect such person against any of his or her creditors. 69

Sec. 35. And be it further enacted, That every person. 1 against whom a commission of bankruptcy shall issue, and who 2 shall be duly found a bankrupt under the same, shall, upon ob-3 taining his or her certificate, as in this act provided, be dis-4 charged from all debts, covenants, contracts, and other engage-5 ments and demands whatsoever, by this act made proveable 6 under such commission. And wherever the said bankrupt may 7 have drawn, made, and entered into, or sealed and executed, any 8 bill, note, endorsement, engagement, contract, or obligation, or 9 covenant, other than covenants on the sale of real estate run-10 ning with the land, by which the liability of the said bankrupt 11 may depend upon a contingency subsequent to his or her said 12

discharge, it shall and may be lawful for the person, or persons, 13 to whom the said bankrupt may become liable, to give notice 14 thereof to the assignees of such bankrupt, at any time before a 15 distribution of the estate of the said bankrupt. And such per-16 son, or persons, shall also present to the said assignees, on oath, 17 a statement, or account of his, her, or their contingent claim, or 18 demand, and what the same will be, in case the said bankrupt 19 shall eventually become liable therefor; and upon such claim be-20 ing made, it shall be the duty of the assignees to retain, in their 21 hands, so much of the said estate as will be sufficient to pay to 22 the said claimant, in respect to his contingent demand, or claim, 23 a proportion of the said bankrupt's estate, equal to what the oth-24 er creditors may have received, or may be entitled to receive, out 25 of the said estate. And in case the said bankrupt would, if he had 26 not been discharged, become liable to pay the said contingent 27 debtor's claim, then the said moneys, so retained by the said as-28 signees, shall be paid to the person or persons to whom he or 29 she would so have been liable, otherwise they shall be distri-30 buted among the creditors of the said bankrupt, as if no such 31 claim had been made. And the assignees, shall not retain the 32 money in their hands to meet such contingent claims, unless 83 such claims be made absolute by the time that a final distribu-34 tion of the bankrupt's estate, according to this act, shall be de-85 86 clared; and in case such claim or demand shall become absolute before such final distribution, the certificate of such bank-87

rupt shall be a complete discharge of and from the same; other-38 wise the same shall not be discharged by such certificate. And 39 in case any such bankrupt shall afterwards be arrested, prose-40 cuted, or impleaded, for or on account of any of the said claims 41 or debts aforesaid, such bankrupt may appear without bail, and 42 may plead the general issue, and give this act and the special 43 matter in evidence; or, at his or her election, may plead in ge-44 neral that the cause of such action or suit did accrue before such 45 time as he or she became a bankrupt, and may give this act 46 and the special matter in evidence. And the certificate of such 47 bankrupt's conforming, and the allowance thereof, according 48 to the directions of this act, shall be, and shall be allowed to be, 49 sufficient evidence, prima facie, of the party's being a bankrupt 50 within the meaning of this act, and of the commission and other 51 proceedings, precedent to the obtaining such certificate, and a **52** verdict shall thereupon pass for the defendant, unless the plain-58 tiff in such action can prove the said certificate was obtained 54 unfairly and by fraud, or unless he can make appear any fraud-55 ulent concollment of estate or effects, by such bankrupt, to the 56 value of one hundred dollars: Provided, That no such dis-57 charge of a bankrupt shall release or discharge any person 58 who was a partner with such bankrupt, at the time he or she 59 became bankrupt, or who was then jointly held or bound with 60 such bankrupt, for the same debt or debts from which such 61 bankrupt was discharged as aforesaid. 62

Sec. 36. Provided also, and be it further enacted, That no £ person becoming a bankrupt, according to the intent and pro-2 visions of this act, shall be entitled to any of the benefits of 3 the act, unless he shall obtain a certificate of discharge from 4 one of the judges having authority to issue the commission, 5 which either of said judges is hereby authorized to allow. 6 Nor shall such certificate of discharge be allowed by any 7 judge, unless the commissioners shall certify to him, under 8 their hands, that such bankrupt hath made a full discovery of 9 his or her estate and effects, and in all things conformed him 40 or herself to the directions of this act, and that there doth 11 not appear to them any reason to doubt of the truth of such 12 discovery, or that the same was not a full discovery of the 13 said bankrupt's estate and effects; or unless the said judge 14 should be of opinion that the said certificate was unreason-15 ably denied by the commissioners; nor unless two-thirds, in 16 number and in value, of the creditors of the bankrupt, who 17 shall be creditors for not less than fifty dollars respectively, 18 and who shall have duly proved their debts under the said 19 commission, shall sign such certificate, or in case of a denial 20 by the commissioners, a certificate of like purport to the judge, 21 and certify their consent to the allowance of a certificate of 22 discharge, in pursuance of this act; which signing and con-23 sent shall be also certified by the commissioners, or acknow-24 ledged by the creditors respectively, before the said judge; 25

but the said commissioners shall not certify the same till they 26 have proof, by affidavit or affirmation, in writing, of such cre-27 ditors, or of the persons respectively authorized for that pur-28 pose, signing the said certificate; which affidavit or affirma-29 tion, together with the letter or power of attorney to sign, 30 shall, in all such cases, be laid before the said judge, in order 31 for the allowing the certificate of discharge; nor shall such 32 certificate of discharge be allowed, unless the bankrupt shall 33 make oath or affirmation, in writing, before the said judge, that 84 he hath made a full and fair discovery of all his estate and 35 effects, and that the certificate of the commissioners, (if any 36 there be,) and the consent of the creditors, as aforesaid, were 37 obtained fairly and without fraud, and that he doth not know 38 of any reason why he should not have the benefit of this act; 39 and any of the creditors of the said bankrupt are allowed to be 40 heard, if they shall think fit, before the respective persons, 41 aforesaid, against the making or allowing of such certificates 42 by the commissioners or judge. And if the allowance of 43 such certificate or discharge shall be contested, it shall be law-44 ful for the said judge peremptorily to decide as to the allow-45 ance thereof, or in his discretion to adjourn the question into 46 the circuit court of the United States, for the district, and 47 thereupon the said circuit court shall have full authority to 48 hear and decide the same, and to summon before it all neces-49 sary and proper parties and witnesses, and compel their at-50

tendance, and to proceed therein in a summary manner; and 51 its decree shall be final and conclusive between the parties. **52** And such certificate of discharge, when allowed, shall sum-53 marily state, that the party is a bankrupt within this act, and 54 has duly conformed thereto, and is fully entitled to all the 55 benefits thereof. And such certificate shall be filed among the 56 proceedings of bankruptcy, in the office of the clerk of the 57 district court, and a copy thereof, attested by the clerk of the 58 district court, shall be good evidence in all judicial and other 59 60 proceedings: Provided, also, That where any corporation, or body politic, being a creditor of said bankrupt, and having 61 proved its debt under the commission, whose consent to the **62** discharge of said bankrupt shall alone be necessary to make 63 up the two-thirds in number and value of the creditors re-64 65 quired by this act, shall refuse to subscribe the said certificate; it shall be lawful for the commissioners to notify such 66 corporation or body politic, by serving notice upon them, at 67 68 least ten days before the time of hearing, to appear before 69 them, at a time and place to be specified in such notice, if they see fit, and shew cause wherefore the certificate of such 70 bankrupt should not be certified to the said judge, notwith-71 standing the dissent and objection of such corporation or bo-72 dy politic; and if such corporation or body politic shall ne-78 glect to appear, or shall fail to shew cause sufficient, in the 74 judgment of the commissioners, or a major part of them, aris-75

ing from the fraud or gross misconduct of the bankrupt to 76 justify the refusal of such creditor to subscribe the certificate; 77 and if it shall appear to the commissioners, that such con-78 sent alone is wanting to make up the two thirds in number, 79 and value, of the creditors, required by this act, it shall be 80 lawful for the commissioners to certify the facts, and there-81 upon, the said judges may proceed, in all respects, as if the 82 certificate had been signed by two-thirds in number and va-83 lue of the said creditors. 84

Sec. 37. And be it further enacted, That if any creditor, 1 or pretended creditor, or any bankrupt, shall exhibit to the com-2 missioners any fictitious or false debt, or demand, with intent 3 to defraud the real creditors of such bankrupt, and the bank-4 rupt shall refuse to make discovery thereof, and suffer the fair 5 creditors to be imposed upon, he shall lose all title to the al-6 lowance upon the amount of his effects, and to a certificate of 7 discharge as aforesaid; nor shall he be entitled to the said al-8 9 lowance or certificate, if he has lost, at any time, fifty dollars, or, in the whole, three hundred dollars, after the passing 10 of this act, and within twelve months before he became a bank-11 rupt, by any manner of gaming or wagering whatsoever. 12

who shall have obtained his certificate, shall be taken in execution, or detained in prison, on account of any debts owing

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Sec. 38. And be it further enacted, That if any bankrupt,

4 before he became a bankrupt, by reason that judgment was ob-

- 5 tained before such certificate was allowed, it shall be lawful for
- 6 any of the judges of the court wherein judgment was so obtain-
- 7 ed, or for any court, judge, or justice, of any state, or of the
- 8 United States, within the district in which such bankrupt shall
- 9 be detained, having powers to award or allow the writ of ha-
- 10 beas corpus, on such bankrupt producing his certificate, so as
- aforesaid allowed, to order any sheriff or jailor who shall have
- such bankrupt in custody, to discharge such bankrupt without
- 13 fee or charge, first giving reasonable notice to the plaintiff, or
- 14 his attorney, of the motion for such discharge.
 - Sec. 39. And be it further enacted, That every person who
 - 2 shall have bona fide given credit to, or taken securities, payable
 - 3 at future days, from persons who are or shall become bank-
 - 4 rupts, not due at the time of such person's becoming bank-
 - 5 rupt, shall be admitted to prove their debts and contracts, as
 - 6 if they were payable presently, and shall have a dividend in
 - 7 proportion to the other creditors, discounting where no inter-
 - 8 est is payable, at the rate of so much per centum per annum,
 - g as is equal to the lawful interest of the state where the debt
- was payable; and the obligee of any bottomry or respondentia
- bond, and the assured in any policy of insurance, shall be ad-
- 12 mitted to claim, and, after the contingency or loss, to prove
- 13 the debt thereon, in like manner as if the same had happened
- 14 before issuing the commission; and the bankrupt shall be dis-
- 15 charged from such securities, as if such money had been due

and payable before the time of his or her becoming bankrupt; 16 and such creditors may petition for a commission, or join in 17 petitioning. And every person with whom the bankrupt shall 18 have really and bona fide contracted any debt before the date 19 of the suing forth of such commission, which, if contracted be-20 fore any act of bankruptcy committed, might have been proved 21 under such commission, shall, notwithstanding any prior act of 22 bankruptcy, be admitted to prove such debt, and to be a credi-23 torunder such commission, in like manner, as if no such prior 24 25 act of bankruptcy had been committed, provided such creditor had not, at the time of the debt being contracted, notice of any 26 prior act of bankruptcy committed within six months before 27 that time. 28

Sec. 40. And be it further enacted, That in case any per-1 son committed by the commissioners' warrant shall obtain a 2 habeas corpus, in order to be discharged, and there shall ap-3 pear any insufficiency in the form of a warrant, it shall be 4 lawful for the court or judge before whom such party shall be 5 brought by habeas corpus, by rule or warrant, to commit such 6 person to the same prison, there to remain, until he shall con-7 form as aforesaid, unless it shall be made to appear that he 8 had fully answered all lawful questions put to him by the com-9 missioners; or in case such person was committed for not sign-10 ing his examination, unless it shall appear that the party had 11 good reason for refusing to sign the same, or that the commis-12

- sioners had exceeded their authority in making such commitment; and in case the jailor, to whom such person shall be committed, shall wilfully or negligently suffer such person to escape, or to go without the doors or walls of the prison, such jailor shall, for such offence, being convicted thereof, forfeit a
- sum not exceeding three thousand dollars, for the use of the creditors.
 - Sec. 41. And be it further enacted, That the jailor shall, upon 1 the request of any creditor, having proved his debt, and show-2 ing a certificate thereof under the hands of the commissioners, 3 which the commissioners shall give without fee or reward, pro-4 duce the person so committed; and in case such jailor shall 5 refuse to show such person to such creditor requesting the same, 6 such person shall be considered as having escaped; and the 7 jailor or sheriff so refusing shall be liable as for a wilful 8
 - 9 escape.
 1 Sec. 42. And be it further enacted, That where it shall appear to the said commissioners, that there hath been mutual.
 - 3 credit given by the bankrupt and any other person, or mutual
 - 4 debts between them, at any time before the issuing of the com-
 - 5 mission, the commissioners, or, under their direction, the assignee
 - 6 or assignees of the estate shall state the account between them,
 - 7 and one debt may be set off against the other, and what shall
 - 8 appear to be due on either side on the balance of such account,
 - 9 after such set-off, and no more, shall be claimed or paid on either

side respectively, notwithstanding any act of bankruptcy com-10 mitted by such bankrupt before the credit was given to, or the 11 debt was contracted by, such bankrupt; in like manner as if 12 no prior act of bankruptcy had been committed, provided the 13 person claiming the benefit of such set-off had not, at the time 14 15 of giving such credit, notice of any act of bankruptcy, committed within six months before that time: And provided, That if 16 such credit was given to, or debt contracted with, the bankrupt. 17 within two calendar months before the date or sueing forth of said commission, it shall be incumbent on the party giving such 19 credit or contracting such debt with the bankrupt, to prove that 20 such credit or debt was given or contracted in the ordinary 21 course of business, bona fide, for valuable consideration, and 22 with no intent to obtain preference to such person. 23 Sec. 43. And be it further enacted, That it shall and may be 1 lawful to and for the assignee or assignees of any bankrupt's 2 estate and effects, under the direction of the commissioners, 3 and by and with the consent of the major part in value of such 4 of the said bankrupt's creditors as shall have duly proved their 5 debts under the commission, and shall be present at any meet-6 ing of the said creditors, to be held in pursuance of due and 7 public notice for that purpose given, to submit any difference . 8 or dispute for, on account of, or by reason or means of, any mat-9 ter, cause, or thing whatsoever, relating to such bankrupt, or to 10 his or her estate or effects, to the final end and determination 11

of arbitrators, to be chosen by the said commissioners, and the 12 major part, in value, of such creditors as shall be present at 13 such meeting as aforesaid, and the party or parties with whom 14 they shall have such difference or dispute, and to perform the 15 award of such arbitrators, or otherwise to compound and 16 agree the matter, in difference and dispute, as aforesaid, in 17 such manner as the said assignee or assignees, under the di-18 rection and with the consent aforesaid, shall think fit and can 19 agree; and the same shall be binding on the several creditors 20 of the said bankrupt, and the said assignee or assignees are 21 hereby indemnified for what they shall fairly do, according to 22 the directions aforesaid. 23

Sec. 44. And be it further enacted, That the assignees shall be, and hereby are, vested with full power to dispose of all the bankrupt's estate, real and personal, at public auction or vendue, without being subject to any tax, duty, imposition, or restriction, any law to the contrary notwithstanding.

SEC. 45. And be it further enacted, That if, after any commission of bankruptcy sued forth, the bankrupt happen to die before the commissioners shall have distributed the effects, or any part thereof, the commissioners shall, nevertheless, proceed to execute the commission, as fully as they might have done if the party were living.

SEC. 46. And be it further enacted, That where any commission of bankruptcy shall be delivered to the commissioners

- 3 therein named, to be executed, it shall and may be lawful for
- 4 them, before they take the oath or affirmation of qualification,
- 5 to demand and take from the creditor or creditors prosecuting
- 6 such commission, a bond, with one good security, if required,
- 7 in the penalty of one thousand dollars, conditioned for the pay-
- 8 ment of the costs, charges, and expenses, which shall arise
- 9 and accrue upon the prosecution of the said commission:
- 10 Provided, always, That the expenses, so as aforesaid to be se-
- eured and paid, by the petitioning creditor or creditors, shall
- 12 be repaid to him or them by the commissioners or assignees,
- 13 out of the first moneys arising from the bankrupt's estate or
- 14 effects, if so much be received therefrom.
 - 1 SEC. 47. And be it further enacted, That all penalties given
 - 2 by this act, for the benefit of the creditors, shall be recovered
- 8 by the assignee or assignees, for the time being, by action of
- 4 debt; and the money so recovered, the charges of the suit be-
- 5 ing deducted, shall be distributed towards payment of the
- 6 creditors.
- 1 SEC. 48. And be it further enacted, That if any action shall
- 2 be brought against any commissioner, or assignee, or other per-
- 8 son, having authority under the commission, for any thing
- 4 done or performed by force of this act, the defendant may
- 5 plead the general issue, and give this act and the special mat-
- 6 ter in evidence, and, in case of a non-suit, discontinuance, or
- 7 verdict, or judgment for him, he shall recover double costs.

- SEC. 49. And be it further enacted, That, if any estate, real 1 or personal, shall descend, revert to, or become vested in any 2 person, after he or she shall be declared a bankrupt, and be-3 fore he or she shall obtain a certificate, signed by the judge 4 as aforesaid, all such estate shall, by virtue of this act, be vest-5 ed in the said commissioners, and shall be by them assigned 6 and conveyed to the assignee or assignees, in fee simple, or 7 otherwise, in like manner as above directed, with the estate of 8 the said bankrupt, at the time of the bankruptcy, and the pro-9
- ceeds thereof shall be divided among the creditors. 10 SEC. 50. And be it further enacted, That the said commis-1 sioners shall, once in every year, carefully file, in the clerk's 2 office of the district court, all the proceedings had in every 8 case before them, and which shall have been finished, includ-4 ing the commissions, examinations, dividends, entries, and 5 other determinations of the said commissioners, in which of-6 fice the final certificate of the said bankrupt may also be re-7 corded; all which proceedings shall remain of record in the 8 said office, and certified copies thereof shall be admitted as 9 evidence in all courts, in like manner as the copies of the pro-10 ceedings of the said district court are admitted in other cases. 11 Sec. 51. And be it further enacted, That it shall and may 1
 - 2 be lawful for any creditor of such bankrupt to attend all or any
 - 3 of the examinations of said bankrupt, and the allowance of
 - 4 the final certificate, if he shall think proper, and then and there

- 5 to propose interrogatories, to be put by the judge or commis-
- 6 sioners to the said bankrupt and others, and also to produce
- 7 and examine witnesses and documents before such judge or
- 8 commissioners, relative to the subject-matter before them.
- SEC. 52. And be it further enacted, That the commissioners,
- 2 before the appointment of assignees, and the assignees, after
- 3 such appointment, shall, from time to time, make such allow-
- 4 ance out of the bankrupt's estate, until he shall have obtained
- 5 his final discharge, as, in their opinion, may be requisite for
- 6 the necessary support of said bankrupt and his family.
- 1 Sec. 53. And be it further enacted, That it shall be lawful
- 2 for the major part, in value, of the creditors, before they pro-
- 3 ceed to the choice of assignees, to direct in what manner, with
- 4 whom, and where, the moneys arising by, and to be received
- 5 from time to time, out of the bankrupt's estate, shall be lodged,
- 6 until the same shall be divided among the creditors, as herein
- 7 provided; to which direction every such assignee and as-
- 8 signees shall conform as often as one hundred dollars shall
- 9 be received.
- 1 Sec. 54. And be it further enacted, That every matter and
- 2 thing, by this act required to be done, by the commissioners of
- 3 any bankrupt, shall be valid to all intents and purposes, if per-
- 4 formed by a majority of them.
- SEC. 55. And be it further enacted, That in all cases where
- 2 the assignees shall prosecute any person, for any debt, duty, or

demand, right, title, or interest due, or belonging to the bank-3 rupt, the commission, or a certified copy thereof, and the assign-4 ment of the commissioners of the bankrupt's estate, shall be con-5 clusive evidence of the issuing the commission, and of the per-6 son named therein being a trader and bankrupt at the time 7 mentioned therein. And in all actions or prosecutions which shall 8 be brought against any commissioner, assignee, or other person, 9 10 having authority under the commission, for any thing done or performed by force or color of this act, the proceedings under 11 the commission, or authenticated copies thereof, shall be 12 prima facie evidence of the facts therein contained. 13

Sec. 56. And be it further enacted, That any creditor of a 1 2 person against whom a commission of bankruptcy shall have been sued forth, and who shall lay his claim before the com-3 missioners appointed in pursuance of this act, may, at the same 4 5 time, declare his unwillingness to submit the same to the judgment of the said commissioners, and his wish that a jury may 6 7 be empannelled to decide thereon; and in like manner the assignee or assignees of such bankrupt may object to the consi-8 9 deration of any particular claim by the commissioners, and require that the same shall be referred to a jury. In either case. 10 11 such objection and request shall be entered on the books of the commissioners, and thereupon an issue shall be made up 12 between the parties, and a jury shall be empannelled, as in 18 14 other cases, to try the same in the circuit court for the district

in which said bankrupt has usually resided. The verdict of such jury shall be subject to the control of the court, as in suits originally instituted in the said court, and when rendered, if not set aside by the court, shall be certified to the commissioners, and shall ascertain the amount of any such claim, and such creditor or creditors shall be considered in all respects as having proved their debts under the commission.

SEC. 57. And be it further enacted, That the lands and effects
of any person becoming bankrupt, may be sold on such credit,
and on such security, as a major part, in value, of the creditors
may direct: Provided, Nothing herein contained shall be allowed so to operate, as to retard the granting the bankrupt's
certificate.

SEC. 58. And be it further enacted, That if any person be-1 coming bankrupt shall be in prison, it shall be lawful for any 2 creditor or creditors, at whose suit he or she shall be in execu-8 tion, to discharge him or her from custody, or if such creditor 4 or creditors shall refuse to do so, the prisoner may petition 5 the commissioners to liberate him or her, and thereupon, if, in 6 the opinion of the commissioners the conduct of such bank-7 rupt shall have been fair, so as to entitle him or her, in their 8 opinion, to a certificate, when, by law, such certificate might . 9 be given, it shall be lawful for them to direct the discharge of 10 such prisoner, and to enter the same in their books: which. 11

being notified to the keeper of the jail in which such prisoner 12 may be confined, shall be a sufficient authority for his or her 18 discharge: Provided, That, in either case, such discharge 14 shall be no bar to another execution, if a certificate shall be 15 refused to such bankrupt: And provided also, That it shall be 16 no bar to a subsequent imprisonment of such bankrupt, by 17 order of the commissioners, in conformity with the provisions 18 of this act. 19

Sec. 59. And be it further enacted, That this act shall 1 not repeal or annul, to be construed to repeal or annul, the 2 laws of any state now in force, or which may be hereafter en-3 acted for the relief of insolvent debtors, except so far as the 4 same may respect persons who are, or may be, clearly within 5 the purview of this act, and whose debts shall amount, in the 6 cases specified in the second section thereof, to the sums 7 therein mentioned. And, if any person, within the purview of 8 this act, shall be imprisoned for the space of three months, for 9 any debt, or upon any contract, unless the creditors of such 10 prisoner shall proceed to prosecute a commission of bankrupt-11 cy against him or her, agreeably to the provisions of this act, 12 such debtor may and shall be entitled to relief, under any such 13 laws for the relief of insolvent debtors, this act notwithstanding. 14 Sec. 60. And be it further enacted, That the right of pre-1 ference to prior satisfaction of debts due to the United 2 States, over all other debts, shall continue and exist as if this

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act had not been passed.

- 1 Sec. 61. And be it further enacted, That nothing contain-
- 2 ed in this act shall be taken or construed to invalidate or im-
- 3 pair any lien existing at the date of this act, upon the lands, or
- 4 chattels, of any person who may become a bankrupt.
- 1 Sec. 62. And be it further enacted, That, if there be any
- 2 surplus of the said bankrupt's estate, or effects, remaining in
- 8 the hands of the commissioners, or assignees, or any of them,
- 4 after the payment and satisfaction of all the debts of the said
- 5 bankrupt, which have been admitted by him on his examina-
- 6 tion, or proved before the said commissioners, such surplus
- 7 shall belong to, and revest in, the said bankrupt, his heirs, ex-
- 8 ecutors, or administrators.
- SEC. 63. And be it further enacted, That, except in the
- 2 cases which are in this act otherwise specially provided for, if
- 8 any bankrupt, or any assignee, or assignees, creditor, or cre-
- 4 ditors, or any other person, shall conceive himself, herself, or
- 5 themselves, aggrieved by any examination, order, decision, de-
- 6 nial, or other proceeding of the commissioners, under any com-
- 7 mission, or by any act, proceeding, refusal, neglect, or omission
- 8 of the bankrupt, or of any assignee, or assignees, or creditor,
- 9 or creditors, under, or by virtue of, this act, orany other act of
- the United States on the subject of bankruptcy, it shall be lawful
- for such person, so conceiving himself or herself aggrieved, to

present a petition to the circuit court for the district where the 12 commission issued, in term, or to either of the judges thereof 13 in vacation, setting forth the gricvance complained of, in a sum-14 mary manner, with convenient certainty; and thereupon such 15 court in term, or either of the judges thereof in vacation, may 16 proceed, in a summary manner, to inquire into, hear, examine. 17 and determine the same, and to take and receive all necessary 18 proofs, and summon and sompel the attendance of all necessary 19 parties and witnesses; and to make such order, direction, de-20 cree, or other award in the premises, as shall be according to 21 equity and good conscience; and such order, direction, decree, 22 or award, shall be conclusive in the premises, and may be en-23 forced by attachment, or other proper process, in the discretion 24 of the court, or judge, before whom the same petiton shall be 25 decided and adjudged. And whenever any such petition is 26 pending, in vacation, before any such judge, the same may, in 27 his discretion, be adjourned into the circuit court of the dis-28 tric, for further proceedings and a final determination; and such 29 court may thereupon proceed to hear and determine the same, 30 in the same manner as if originally brought before such court. 31 And the court, or judge, before whom such petition is pend-82 ing, shall, at the election of either party, direct any facts in 33 controversy to be tried by a jury, to be summoned and em-34 pannelled before such court, or judge, in such manner, and at 35

such time and place, as such court, or judge, shall order and 36 And the verdict of the jury, so given, unless set aside 37 and new trial granted by such court, or judge, shall be conclu-38 sive as to such facts so in controversy. And all costs and 39 charges, incident to the hearing and decision of such petitions, 40 shall be taxed against, and paid by, such party or parties as the 41 court, or judge, before whom the same is pending, shall, in his 42 or their discretion, award or adjudge. 43

1 Sec. 64. And be it further enacted, That this act shall continue and be in force for the term of three years, from the passing thereof, and from thence until the end of the next session of Congress, and no longer.

February 19, 1821.

Passed the Senate.

Attest,

CHARLES CUTTS, Secretary.

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